GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5263
ANSWERED ON:22.12.2000
BOGUS KISAN VIKAS PATRA
CHADA SURESH REDDY

Will the Minister of FINANCE be pleased to state:

to the reply given to unstarred Question No.926 on December 4, 1998 and state:

(a) whether Delhi Branches of Associate of State Bank of India, Banks have written-off as bad debts a number of cases involving the pledging of `bogus Kisan-Vikas-Patras`;

(b) if so, the details thereof, bank-wise and branch-wise and amounts of bad debts written-off in each case;

(c) the criteria adopted by these associate Banks to write off bad debts;

(d) whether responsibility of the staff/officers responsible for accepting bogus vikas patras has been fixed;

(e) if so, the action taken against them; and

(f) if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a), (b) & (c) : As per the RBI guidelines, all borrowal accounts doubtful of recovery, wherein there is no security, are to be classified as `Loss Assets`. Wherever full provision from bank`s profit is available such accounts can be written-off. However, writing off is only an accounting process and Bank`s recourse against the borrower & right to recover remains and is not affected. Connaught Circus, New Delhi Branch of State Bank of Indore from amongst the Associate Banks in Delhi had reported a fraud case involving pledging of bogus Kisan Vikas Patras in 1998 in two accounts. The amounts involved in both the cases were later on written-off by the Bank.

(d), (e) & (f):- Central Bureau of Investigation to whom the case was referred by the bank for investigation has also reported that investigation in the case has been completed and a chargesheet has been filed in the Court. State Bank of Indore has also informed that lapses were observed on the part of four officers, including two Branch Managers and two officers posted at their Connaught Circus, New Delhi Branch and departmental action has been initiated against them.